AMENDMENTS TO THE SPECIFICATION

In paragraph [019] of the originally filed application, please replace with the following, amended paragraph:

[019] Figure 4 is a block diagram that illustrates an example of how macroblocks of the incoming video stream are mapped to the outgoing video stream such that parameters of the new macroblocks can be generated from the parameters of the original macroblocks;¬

In paragraph [030] of the originally filed application, please replace with the following, amended paragraph:

[030] In this example, the video stream of Figure 1 illustrates a nested hierarchy of different levels of a video stream 99 (not all levels of a video stream are illustrated) that includes sequences, groups of pictures, pictures, slices, and macroblocks. Each subsequent level in the video stream is part of a previous layer or level. Thus the sequence level 101 is a series of sequences and each sequence contains or more groups of pictures (GOP). The group of picture (GOP) level 103 is a series of groups of pictures and each GOP includes one or more pictures. The picture level 109 is a series of pictures (including I frames, P frames, and/or B frames) and each picture includes one or more slices. The slice level 113 is a series of slices and each slice contains one or more macroblocks. The macroblock (MB) level 119 is a series of macroblocks.

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In paragraph [057] of the originally filed application, please replace with the following, amended paragraph:

[057] The coded block pattern is dependent on the quantization of the DCT coefficients and is computed in a routine manner. The DCT coefficients are computed as illustrated in Figure 6. When a block 602 600 is a non-intra block, the motion vectors are used to determine the prediction 614 from the reference frames. The prediction 614 is subtracted (602) from the block 602 600 and a forward DCT 604 is performed on the output. The output is quantized (606) and variable length coded (608) and written as an output bit stream. In the case of I and P frames, inverse quantization 610 and inverse DCT 612 are performed on the output of the quantization process (606) and the prediction 614 is added (614 602) to new frames as described. Intra blocks do not require prediction and can be quantized without reference to other blocks.